

**TOWN OF ELTON, LOUISIANA**

## Financial Report

Year Ended December 31, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 11/15/09

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## INDEPENDENT AUDITORS' REPORT

The Honorable Catherine Hollingsworth, Mayor  
and Members of the Board of Aldermen  
Town of Elton, Louisiana

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Elton, Louisiana, as of and for the year ended December 31, 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Elton, Louisiana as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated May 13, 2009 on our consideration of the Town of Elton, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and important for assessing the results of our audit.

The required supplementary information on pages 36 through 38 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Town of Elton has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Elton, Louisiana's basic financial statements. The other supplementary information on pages 41 through 56 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for the schedule of number of utility customers and the schedule of insurance in force, on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The prior year comparative information on the other supplementary information has been derived from the Town of Elton's 2007 financial statements, which was subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, was fairly presented in all material respects in relation to the basic financial statements taken as a whole, except for the schedule of number of utility customers and the schedule of insurance in force which were not subjected to the auditing procedures and on which we expressed no opinion.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Oberlin, Louisiana  
May 13, 2009

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

# TOWN OF ELTON, LOUISIANA

## Statement of Net Assets December 31, 2008

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and interest-bearing deposits	\$ 1,470,631	\$ 300,700	\$ 1,771,331
Receivables, net	18,221	39,721	57,942
Due from other governmental units	245,903	-	245,903
Prepaid items	24,926	-	24,926
Total current assets	<u>1,759,681</u>	<u>340,421</u>	<u>2,100,102</u>
Noncurrent assets:			
Restricted assets:			
Cash and interest-bearing deposits	-	17,112	17,112
Capital assets, net	<u>1,100,640</u>	<u>2,030,209</u>	<u>3,130,849</u>
Total noncurrent assets	<u>1,100,640</u>	<u>2,047,321</u>	<u>3,147,961</u>
Total assets	<u>2,860,321</u>	<u>2,387,742</u>	<u>5,248,063</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and other payables	62,595	12,578	75,173
Bonds payable	40,000	-	40,000
Accrued interest	3,536	-	3,536
Total current liabilities	<u>106,131</u>	<u>12,578</u>	<u>118,709</u>
Noncurrent liabilities:			
Customers' deposits payable	-	17,112	17,112
Bonds payable	<u>95,000</u>	<u>-</u>	<u>95,000</u>
Total noncurrent liabilities	<u>95,000</u>	<u>17,112</u>	<u>112,112</u>
Total liabilities	<u>201,131</u>	<u>29,690</u>	<u>230,821</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	965,640	2,030,209	2,995,849
Restricted for debt service	20,000	-	20,000
Unrestricted	<u>1,673,550</u>	<u>327,843</u>	<u>2,001,393</u>
Total net assets	<u>\$ 2,659,190</u>	<u>\$ 2,358,052</u>	<u>\$ 5,017,242</u>

The accompanying notes are an integral part of the basic financial statements.



TOWN OF ELTON, LOUISIANA

Statement of Activities  
For the Year Ended December 31, 2008

	Program Revenues				Net (Expense) Revenues and Changes in Net Assets		
	Expenses	Fees, Fines, and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Business-Type		
					Governmental Activities	Activities	Total
Governmental activities:							
General government	\$ 207,111	\$ 41,137	\$ -	\$ -	\$ (165,974)	\$ -	\$ (165,974)
Public safety:							
Police	387,708	43,570	28,646	-	(315,492)	-	(315,492)
Fire	30,004	-	-	-	(30,004)	-	(30,004)
Highways and streets	178,742	-	-	-	(178,742)	-	(178,742)
Parks and recreation	12,031	-	-	-	(12,031)	-	(12,031)
Education	68,302	-	68,302	-	-	-	-
Animal control	6,494	-	-	-	(6,494)	-	(6,494)
Interest on long-term debt	7,583	-	-	-	(7,583)	-	(7,583)
Total governmental activities	897,975	84,707	96,948	-	(716,320)	-	(716,320)
Business-type activities:							
Water	183,293	121,974	-	-	-	(61,319)	(61,319)
Sewer	95,171	62,415	-	-	-	(32,756)	(32,756)
Sanitation	89,344	77,872	-	-	-	(11,472)	(11,472)
Total business-type activities	367,808	262,261	-	-	-	(105,547)	(105,547)
Total	\$1,265,783	\$346,968	\$ 96,948	\$ -	(716,320)	(105,547)	(821,867)
General revenues.							
Taxes -							
Property taxes, levied for general purposes							
Sales and use taxes, levied for general purposes							
Franchise taxes							
Grants and contributions not restricted to specific programs -							
State sources							
Community grant revenue							
Interest and investment earnings							
Miscellaneous							
Transfers							
Total general revenues and transfers							
Change in net assets							
Net assets - January 1, 2008							
Net assets - December 31, 2008							

The accompanying notes are an integral part of the basic financial statements.

**FUND FINANCIAL STATEMENTS (FFS)**

## **MAJOR FUND DESCRIPTIONS**

### **General Fund**

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

### **Special Revenue Fund**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

### **Coushatta Tribe Community Grant Fund**

To assist in the construction, maintenance and repair of Elton public schools and to assist with the purchase of books, equipment and supplies to further the educational needs of students attending Elton public schools; to provide fire protection to the reservation of the Coushatta Tribe of Louisiana; to assist in the furnishing of municipal police services; to assist in the construction, maintenance and repair of municipal infrastructure and housing.

### **1991 Sales Tax Fund**

To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to the maintenance, repairs, and upkeep of streets in the Town of Elton, Louisiana.

### **Enterprise Fund**

#### **Utility Fund -**

To account for the provision of water, sewer, and sanitation (garbage) services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing related debt service, and billing and collection.

TOWN OF ELTON, LOUISIANA

Balance Sheet - Governmental Funds  
December 31, 2008

	ASSETS					LIABILITIES AND FUND EQUITY				
	General	Coushatta Tribe Community Grant	1991 Sales Tax	Nonmajor Funds	Total					
Cash	\$ 4,366	\$ -	\$ 36,158	\$162,407	\$ 202,931					
Interest-bearing deposits	-	1,073,631	194,069	-	1,267,700					
Receivables -										
Taxes	6,059	-	6,081	6,081	18,221					
Due from other funds	9,854	-	-	-	9,854					
Due from other governmental units	1,967	243,936	-	-	245,903					
Prepaid items	1,390	-	-	23,536	24,926					
Total assets	<u>\$ 23,636</u>	<u>\$1,317,567</u>	<u>\$236,308</u>	<u>\$192,024</u>	<u>\$1,769,535</u>					
Liabilities:										
Accounts payable	\$ 12,594	\$ 48,797	\$ -	\$ -	\$ 61,391					
Accrued liabilities	1,204	-	-	-	1,204					
Due to other funds	-	9,854	-	-	9,854					
Total liabilities	<u>13,798</u>	<u>58,651</u>	<u>-</u>	<u>-</u>	<u>72,449</u>					
Fund balances -										
Reserved for debt service	-	-	-	23,536	23,536					
Designated for street improvements	-	-	236,308	-	236,308					
Unreserved, undesignated	9,838	1,258,916	-	168,488	1,437,242					
Total fund balances	<u>9,838</u>	<u>1,258,916</u>	<u>236,308</u>	<u>192,024</u>	<u>1,697,086</u>					
Total liabilities and fund equity	<u>\$ 23,636</u>	<u>\$1,317,567</u>	<u>\$236,308</u>	<u>\$192,024</u>	<u>\$1,769,535</u>					

The accompanying notes are an integral part of the basic financial statements.

TOWN OF ELTON, LOUISIANA

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Assets  
December 31, 2008

Total fund balances for governmental funds at December 31, 2008			\$1,697,086
Total net assets reported for governmental activities in the statement of net assets is different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:			
Land	\$	77,858	
Buildings and improvements, net of \$293,976 accumulated depreciation		86,660	
Infrastructure, net of \$550,391 accumulated depreciation		740,162	
Equipment, furniture, and fixtures net of \$344,403 accumulated depreciation		<u>195,960</u>	1,100,640
Long-term liabilities at December 31, 2008:			
Bonds payable		(135,000)	
Accrued interest payable		<u>(3,536)</u>	<u>(138,536)</u>
Total net assets of governmental activities at December 31, 2008			<u>\$2,659,190</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF ELTON, LOUISIANA

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Governmental Funds  
For the Year Ended December 31, 2008

	General	Coushatta Tribe Community Grant	1991 Sales Tax	Nonmajor Funds	Total
<b>Revenues:</b>					
Taxes	\$ 90,102	\$ -	\$ 84,897	\$ 84,897	\$ 259,896
Licenses and permits	34,760	-	-	-	34,760
Intergovernmental	52,605	-	-	-	52,605
Community grant revenue	-	487,872	-	-	487,872
Fines and forfeits	43,570	-	-	-	43,570
Miscellaneous	23,600	16,363	7,989	-	47,952
Total revenues	<u>244,637</u>	<u>504,235</u>	<u>92,886</u>	<u>84,897</u>	<u>926,655</u>
<b>Expenditures:</b>					
Current -					
General government	163,090	3,344	4,228	3,386	174,048
Public safety:					
Police	366,716	-	-	-	366,716
Fire	-	29,272	-	-	29,272
Highways and streets	126,720	2,500	-	-	129,220
Parks and recreation	2,483	-	-	-	2,483
Education	-	68,302	-	-	68,302
Animal control	6,131	-	-	-	6,131
Capital outlay	-	43,294	-	-	43,294
Debt service -					
Principal retirement	-	-	-	40,000	40,000
Interest	-	-	-	8,603	8,603
Total expenditures	<u>665,140</u>	<u>146,712</u>	<u>4,228</u>	<u>51,989</u>	<u>868,069</u>
Excess (deficiency) of revenues over expenditures	<u>(420,503)</u>	<u>357,523</u>	<u>88,658</u>	<u>32,908</u>	<u>58,586</u>
<b>Other financing sources (uses):</b>					
Transfers in	405,500	-	-	47,583	453,083
Transfers out	-	(405,500)	(47,583)	(24,900)	(477,983)
Total other financing sources (uses)	<u>405,500</u>	<u>(405,500)</u>	<u>(47,583)</u>	<u>22,683</u>	<u>(24,900)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(15,003)</u>	<u>(47,977)</u>	<u>41,075</u>	<u>55,591</u>	<u>33,686</u>
Fund balances, beginning	<u>24,841</u>	<u>1,306,893</u>	<u>195,233</u>	<u>136,433</u>	<u>1,663,400</u>
Fund balances, ending	<u>\$ 9,838</u>	<u>\$ 1,258,916</u>	<u>\$ 236,308</u>	<u>\$ 192,024</u>	<u>\$ 1,697,086</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF ELTON, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2008

Total net changes in fund balances at December 31, 2008 per Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 33,686
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The change in net assets reported for governmental activities in the  
statement of activities is different because:

Governmental funds report capital outlays as expenditures. However,  
in the statement of activities, the cost of those assets is allocated over  
their estimated useful lives and reported as depreciation expense.

Capital outlay which is considered expenditures on Statement of Revenues, Expenditures and Changes in Fund Balances	\$ 43,294	
Depreciation expense for the year ended December 31, 2008	<u>(114,220)</u>	(70,926)

Governmental funds report bonded debt repayments as expenditures.  
However, this expenditure does not appear in the statement of activities  
since the payment is applied against the bond payable balance on the statement  
of net assets.

40,000

Difference between interest on long-term debt on modified accrual basis  
versus interest on long-term debt on accrual basis

1,020

Total changes in net assets at December 31, 2008 per Statement of Activities	<u>\$ 3,780</u>
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The accompanying notes are an integral part of the basic financial statements.

TOWN OF ELTON, LOUISIANA

Statement of Net Assets  
Proprietary Fund  
December 31, 2008

	Enterprise Fund
<hr/>	
ASSETS	
Current assets:	
Cash	\$ 2,159
Interest-bearing deposits	298,541
Receivables -	
Accounts	39,721
Total current assets	<u>340,421</u>
Noncurrent assets:	
Restricted assets-	
Customers' deposits -	
Cash	8,623
Interest-bearing deposits	8,489
Total restricted assets	<u>17,112</u>
Capital assets, net of accumulated depreciation	<u>2,030,209</u>
Total noncurrent assets	<u>2,047,321</u>
Total assets	<u>2,387,742</u>
 LIABILITIES	
Current liabilities:	
Accounts payable	12,301
Accrued liabilities	277
Total current liabilities	<u>12,578</u>
Noncurrent liabilities:	
Customers' deposits	<u>17,112</u>
Total liabilities	<u>29,690</u>
 NET ASSETS	
Invested in capital assets	2,030,209
Unrestricted	327,843
Total net assets	<u>\$2,358,052</u>

The accompanying notes are an integral part of the basic financial statements.



TOWN OF ELTON, LOUISIANA

Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Fund  
For the Year Ended December 31, 2008

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services -	
Water charges	\$ 121,974
Sewer charges	62,415
Sanitation charges	77,872
Miscellaneous	<u>43,246</u>
Total operating revenues	<u>305,507</u>
Operating expenses:	
Water department	183,293
Sewer department	95,171
Sanitation department	<u>89,344</u>
Total operating expenses	<u>367,808</u>
Operating loss	<u>(62,301)</u>
Nonoperating revenues:	
Interest income	<u>11,067</u>
Total nonoperating income	<u>11,067</u>
Loss before transfers	(51,234)
Transfers in:	
Transfers in	<u>24,900</u>
Total transfers in	<u>24,900</u>
Change in net assets	(26,334)
Net assets, beginning	<u>2,384,386</u>
Net assets, ending	<u>\$2,358,052</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF ELTON, LOUISIANA

Statement of Cash Flows  
*Proprietary Fund*  
For the Year Ended December 31, 2008

	Enterprise Fund
Cash flows from operating activities:	
Receipts from customers	\$302,660
Payments to suppliers	(252,044)
Payments to employees	(52,346)
Other receipts	<u>21,997</u>
Net cash provided by operating activities	<u>20,267</u>
Cash flows from noncapital financing activities:	
Transfers from other funds	<u>24,900</u>
Net cash provided by noncapital financing activities	<u>24,900</u>
Cash flows from capital and related financing activities:	
Decrease in meter deposits	<u>(21,760)</u>
Cash flows from investing activities:	
Purchase of investments	(329,029)
Proceeds from maturities of investments	285,789
Interest received on interest-bearing deposits	<u>11,067</u>
Net cash used by investing activities	<u>(32,173)</u>
Net decrease in cash and cash equivalents	(8,766)
Cash and cash equivalents, beginning of period	<u>19,548</u>
Cash and cash equivalents, end of period	<u>\$ 10,782</u>

(continued)

TOWN OF ELTON, LOUISIANA

Statement of Cash Flows (Continued)  
Proprietary Fund  
For the Year Ended December 31, 2008

	Enterprise Fund
Cash flows from operating activities:	
Operating loss	<u>\$(62,301)</u>
Adjustments to reconcile operating loss to net cash used by operating activities -	
Depreciation	58,415
Increase in allowance for doubtful accounts	8,130
Customer deposits included in income	22,042
Changes in current assets and liabilities:	
Increase in accounts receivable	(11,021)
Increase in accounts payable	4,938
Increase in accrued liabilities	<u>64</u>
Total adjustments	<u>82,568</u>
Net cash used by operating activities	<u>\$ 20,267</u>
Cash and cash equivalents, beginning of period -	
Cash - unrestricted	\$ 10,106
Cash - restricted	7,267
Interest-bearing deposits - unrestricted	256,358
Interest-bearing deposits - restricted	31,606
Less: Certificates of deposit with a maturity over three months when purchased	<u>(285,789)</u>
Total cash and cash equivalents	<u>19,548</u>
Cash and cash equivalents, end of period -	
Cash - unrestricted	2,159
Cash - restricted	8,623
Interest-bearing deposits - unrestricted	298,541
Interest-bearing deposits - restricted	8,489
Less: Certificates of deposit with a maturity over three months when purchased	<u>(307,030)</u>
Total cash and cash equivalents	<u>10,782</u>
Net decrease	<u>\$ (8,766)</u>

The accompanying notes are an integral part of the basic financial statements.

## TOWN OF ELTON, LOUISIANA

### Notes to Basic Financial Statements

#### (1) Summary of Significant Accounting Policies

The Town of Elton was incorporated under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Elton conform to generally accepted accounting principles as applicable to governments. The Town applies Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

##### A. Financial Reporting Entity

As the municipal governing authority, for reporting purposes, the Town of Elton is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Town of Elton for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

## TOWN OF ELTON, LOUISIANA

### Notes to Basic Financial Statements (Continued)

As required by generally accepted accounting principals, these financial statements present the Town of Elton (the primary government) and its component units. By applying the above criteria, there are no component units of the Town of Elton.

#### B. Basis of Presentation

##### Government-Wide Financial Statements (GWFS)

The statement of net assets and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the Town and for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

##### Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of the Town are classified into two categories: governmental and proprietary. The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

## TOWN OF ELTON, LOUISIANA

### Notes to Basic Financial Statements (Continued)

- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The major funds of the Town are described below:

#### Governmental Funds:

##### General Fund

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

##### Special Revenue Funds -

##### Coushatta Tribe Community Grant Fund

The Coushatta Tribe Community Grant Fund is used to account for funds collected for assisting in the construction, maintenance and repair of Elton public schools, purchasing books, equipment and supplies to further the education needs of students attending Elton public schools; providing fire protection to the reservation of the Coushatta Tribe of Louisiana; assisting in the furnishing of municipal police services; and assisting in the construction, maintenance and repair of municipal infrastructure and housing.

##### 1991 Sales Tax Fund

The 1991 Sales Tax Fund is used to account for the proceeds of a one percent sales and use tax that is legally restricted to expenditures for specific purposes.

## TOWN OF ELTON, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Proprietary Fund -

#### Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town of Elton's enterprise fund is the Utility Fund.

#### C. Measurement Focus/Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

#### Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b. below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

## TOWN OF ELTON, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The proprietary fund utilizes the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

#### D. Assets, Liabilities and Equity

##### Cash and interest-bearing deposits

For purposes of the statement of net assets, cash and interest-bearing deposits include all demand accounts, savings accounts, and certificates of deposits of the Town.

Under state law, the Town may invest in United States bonds, treasury notes, or certificates. Investments are stated at amortized cost.

For the purpose of the proprietary fund statement of cash flows, "cash and cash equivalents" include all demand and savings accounts, and certificates of deposit with an original maturity of three months or less.

##### Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables."



## TOWN OF ELTON, LOUISIANA

### Notes to Basic Financial Statements (Continued)

Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

#### Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes, ad valorem taxes and amounts due from other governmental units. Business-type activities report customer's utility service receivables as their major receivables. Uncollectible amounts due for customer's utility receivables are recognized as bad debts through the establishment of an allowance for uncollectible accounts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The allowance for uncollectible accounts at December 31, 2008 was \$8,174. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are not recorded due to immateriality at December 31, 2008.

#### Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Town maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20 years
Infrastructure	10-30 years
Equipment	5-15 years
Utility system and improvements	30-70 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

## TOWN OF ELTON, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### Restricted Assets

Restricted assets include cash and interest-bearing deposits of the proprietary fund that are legally restricted as to their use. The restricted assets are related to the utility meter deposits.

#### Long-term debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in the government-wide statements. The long-term debt consists primarily of revenue bonds payable and utility meter deposits payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund long-term debt is the same in the fund financial statements as it is in the government-wide statements.

#### Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. Sick leave is accumulated by employees at a rate dependent upon number of years of employment. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment. At December 31, 2008, the Town has no material accumulated leave benefits required to be reported in accordance with GASB Statement No. 16 "Accounting for Compensated Absences".

#### Equity Classifications

In the government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

## TOWN OF ELTON, LOUISIANA

### Notes to Basic Financial Statements (Continued)

- c. Unrestricted net assets – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

#### E. Revenues, Expenditures, and Expenses

##### Operating Revenues and Expenses

Operating revenues and expenses for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital and related financing, noncapital financing, or investing activities.

##### Expenditures/Expenses

In the government-wide financial statements, expenses are classified by function for both governmental and business-type activities.

In the fund financial statements, expenditures are classified as follows:

Governmental Funds - By Character

Proprietary Fund - By Operating and Nonoperating

In the fund financial statements, governmental funds report expenditures of financial resources. Proprietary funds report expenses relating to use of economic resources.

##### Interfund Transfers

Permanent reallocations of resources between funds of the reporting entity are classified as interfund transfers. For the purposes of the statement of activities, all interfund transfers between individual governmental funds have been eliminated.

## TOWN OF ELTON, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### F. Revenue Restrictions

The Town has various restrictions placed over certain revenue sources from state or local requirements. The primary restricted revenue sources include:

<u>Revenue Source</u>	<u>Legal Restrictions of Use</u>
Sales tax	See Note 3
Water, sewer and sanitation revenue	Debt service and utility operations

The Town uses unrestricted resources only when restricted resources are fully depleted.

#### G. Budget and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to December 15, the Town Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the fiscal year commencing the following January 1.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

## TOWN OF ELTON, LOUISIANA

### Notes to Basic Financial Statements (Continued)

#### H. Capitalization of Interest Expense

It is the policy of the Town of Elton to capitalize material amounts of interest resulting from borrowings in the course of the construction of capital assets. At December 31, 2008 there was no interest expense capitalized.

#### I. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

#### (2) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessors of Jefferson Davis and Allen Parishes. Town property tax revenues are budgeted in the year billed.

For the year ended December 31, 2008, taxes of 6.05 mills were levied on property with assessed valuations totaling \$3,355,756 and were dedicated for general corporate purposes.

Total taxes levied were \$20,303. Taxes receivable at December 31, 2008 were \$6,059.

TOWN OF ELTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(3) Dedication of Sales Tax Proceeds

Proceeds of a 1 percent sales and use tax (accounted for in the 1975 Sales Tax Fund – a special revenue fund) levied by the Town of Elton (2008 collections \$84,897) are dedicated to the following purposes:

Opening, constructing, paving, resurfacing, and improving streets, sidewalks and bridges, constructing and purchasing street lighting facilities; constructing and improving drains, drainage canals and sub-surface drainage; constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; constructing and purchasing garbage disposal and health and sanitation equipment and facilities; constructing public buildings; purchasing, constructing and improving public parks and recreational facilities and acquiring the necessary equipment and furnishings therefore; purchasing equipment and furnishings therefore; purchasing equipment for civil defense; improving any work of permanent public improvement; and purchasing and acquiring all equipment and furnishings for the public works, buildings, improvements and facilities of the Town of Elton, Louisiana, title to which all shall be in the public.

Proceeds of a 1 percent sales and use tax (accounted for in the 1991 Sales Tax Fund – a special revenue fund) levied by the Town of Elton (2008 collections \$84,897) are dedicated to the following purpose:

Maintenance, repair and upkeep of the streets in the Town of Elton, Louisiana and payment of the 2001 certificates of indebtedness.

(4) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 2008, the Town had cash and interest-bearing deposits (book balances) totaling \$1,788,443 as follows:

Demand deposits	\$ 213,713
Money market accounts and certificates of deposit	<u>1,574,730</u>
Total	<u>\$ 1,788,443</u>

# TOWN OF ELTON, LOUISIANA

## Notes to Basic Financial Statements (Continued)

These deposits are stated at cost, which approximates market. Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town's deposits may not be recovered or will not be able to recover the collateral securities that are in the possession of an outside party. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 2008 were secured as follows:

Bank balances	<u>\$ 1,832,466</u>
Federal deposit insurance	\$ 750,000
Pledged securities (Category 3)	<u>1,082,466</u>
Total FDIC insurance and pledged securities	<u>\$ 1,832,466</u>

Pledged securities in Category 3 include uninsured or unregistered investments, for which securities are held by the broker or dealer, or by its trust department or agent, but not in the Town's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand. The Town follows state law regarding its deposits and investments; however, it has not adopted a formal deposit and investment policy.

### (5) Receivables

Receivables at December 31, 2007 of \$57,942 consist of the following:

	General	Other Governmental	Utility	Total
Accounts	\$ -	\$ -	\$47,895	\$ 47,895
Less allowance for uncollectibles			\$ (8,174)	\$ (8,174)
Taxes:				
Ad valorem	6,059	-	-	6,059
Sales tax	-	12,162	-	12,162
Totals	<u>\$ 6,059</u>	<u>\$12,162</u>	<u>\$39,721</u>	<u>\$ 57,942</u>

# TOWN OF ELTON, LOUISIANA

## Notes to Basic Financial Statements (Continued)

### (6) Due from Other Governmental Units

The amount due from other governmental units of \$245,903 consisted of the following at December 31, 2008:

Amount due from State of Louisiana for beer taxes earned for the fiscal year ending December 31, 2008	\$ 442
Amount due from State of Louisiana Department of Transportation and Development for street maintenance for the fiscal year ending December 31, 2008	1,525
Amount due from the Coushatta Tribe of Louisiana for the Town's share of gaming revenues earned for the quarter ended December, 2008	<u>243,936</u>
	<u>\$245,903</u>

### (7) Restricted Assets - Proprietary Fund Type

Restricted assets of \$17,113 at December 31 consisted of amounts owed for customers' deposits.

### (8) Accounts and Other Payables

The accounts and other payables of \$75,173 consisted of the following at December 31, 2008:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Accounts	\$ 61,391	\$ 12,578	\$ 73,969
Other liabilities	<u>1,204</u>	<u>-</u>	<u>1,204</u>
Totals	<u>\$ 62,595</u>	<u>\$ 12,578</u>	<u>\$ 75,173</u>



# TOWN OF ELTON, LOUISIANA

## Notes to Basic Financial Statements (Continued)

(9) Capital Assets

Capital asset activity for the year ended December 31, 2008 was as follows:

	Balance 01/01/08	Additions	Deletions	Balance 12/31/08
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 77,858	\$ -	\$ -	\$ 77,858
Other capital assets:				
Buildings	380,636	-	-	380,636
Infrastructure	1,279,418	11,135	-	1,290,553
Equipment, furniture and fixtures	508,204	32,159	-	540,363
Totals	<u>2,246,116</u>	<u>43,294</u>	<u>-</u>	<u>2,289,410</u>
Less accumulated depreciation				
Buildings	286,162	7,814	-	293,976
Infrastructure	490,867	59,524	-	550,391
Equipment, furniture and fixtures	297,521	46,882	-	344,403
Total accumulated depreciation	<u>1,074,550</u>	<u>114,220</u>	<u>-</u>	<u>1,188,770</u>
Governmental activities, capital assets, net	<u>\$ 1,171,566</u>	<u>\$ (70,926)</u>	<u>\$ -</u>	<u>\$ 1,100,640</u>
Business-type activities:				
Capital assets not being depreciated:				
Land - water system	\$ 10,000	\$ -	\$ -	\$ 10,000
Other capital assets:				
Water system -				
Plant and lines	1,295,917	-	-	1,295,917
Equipment	34,703	-	-	34,703
Autos and trucks	9,224	-	-	9,224
Office equipment	16,056	-	-	16,056
Sewer system -				
Plant and lines	2,197,665	-	-	2,197,665
Equipment	36,495	-	-	36,495
Autos and trucks	2,900	-	-	2,900
Office equipment	715	-	-	715
Totals	<u>3,603,675</u>	<u>-</u>	<u>-</u>	<u>3,603,675</u>
Less accumulated depreciation				
Water system	674,214	25,005	-	699,219
Sewer system	840,837	33,410	-	874,247
Total accumulated depreciation	<u>1,515,051</u>	<u>58,415</u>	<u>-</u>	<u>1,573,466</u>
Business-type activities, capital assets, net	<u>\$ 2,088,624</u>	<u>\$ (58,415)</u>	<u>\$ -</u>	<u>\$ 2,030,209</u>

# TOWN OF ELTON, LOUISIANA

## Notes to Basic Financial Statements (Continued)

Depreciation expense was charged to governmental activities as follows:

General government	\$ 33,063
Police	20,992
Fire	732
Highways and streets	49,522
Parks and recreation	9,548
Animal control	363
Total depreciation expense	<u>\$ 114,220</u>

Depreciation expense was charged to business-type activities as follows:

Water	\$ 25,005
Sewer	33,410
Total depreciation expense	<u>\$ 58,415</u>

### (10) Changes in Long-Term Debt

The following is a summary of long-term debt transactions of the Town for the year ended December 31, 2008:

	Governmental Activities
Long-term debt payable, January 1, 2008	\$ 175,000
Long-term debt issued	-
Long-term debt retired	(40,000)
Long-term debt payable, December 31, 2008	<u>\$ 135,000</u>

Long-term debt payable at December 31, 2008 is comprised of the following individual general obligation debt issue:

#### Certificates of Indebtedness:

\$380,000 certificates of indebtedness dated July 1, 2001; due in semi-annual installments of \$20,000 to \$25,000 through July 1, 2011; interest starting at 4.85 percent and increasing to 5.30 percent from July 1, 2001 through July 1, 2011; payable from sales taxes.

\$ 135,000

# TOWN OF ELTON, LOUISIANA

## Notes to Basic Financial Statements (Continued)

The certificates are due as follows:

Year ending June 30,	Governmental Activities	
	Principal payments	Interest payments
2009	\$ 40,000	\$ 6,557
2010	45,000	4,488
2011	50,000	1,987
Total	<u>\$ 135,000</u>	<u>\$ 13,032</u>

### (11) Employee Retirement

All employees of the Town of Elton participate in the Social Security System. For the year ended December 31, 2008, the Town and its employees contributed a percentage of each employee's salary to the System (7.65% contributed by the Town, 7.65% by the employees). The Town's contribution during the year ended December 31, 2008 amounted to \$25,323.

### (12) Segment Information for the Enterprise Fund

The Town of Elton maintains one enterprise fund with three departments which provide water, sewerage and sanitation services. Segment information for the year ended December 31, 2008, was as follows:

	Water Department	Sewer Department	Sanitation Department	Total Enterprise Fund
Operating revenues	<u>\$ 165,220</u>	<u>\$ 62,415</u>	<u>\$ 77,872</u>	<u>\$ 305,507</u>
Operating expenses:				
Depreciation	25,005	33,410	-	58,415
Other	<u>158,288</u>	<u>61,761</u>	<u>89,344</u>	<u>309,393</u>
Total operating expenses	<u>183,293</u>	<u>95,171</u>	<u>89,344</u>	<u>367,808</u>
Operating loss	<u>\$ (18,073)</u>	<u>\$ (32,756)</u>	<u>\$ (11,472)</u>	<u>\$ (62,301)</u>

TOWN OF ELTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(13) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended December 31, 2008 follows:

Mayor:

Catherine Hollingsworth	<u>\$ 17,400</u>
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Aldermen:

Durffey Fontenot, Jr.	3,000
Alphonse Guillory	3,000
Kimberly Guidry	3,000
Margaret Langley	3,000
Tracie Doescher	<u>3,000</u>
	<u>15,000</u>
	<u>\$ 32,400</u>

(14) Risk Management

The Town is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains commercial insurance coverage for each of those risks of loss. Management believes coverage is sufficient to preclude any significant uninsured losses to the Town.

(15) Pending Litigation

There was one lawsuit pending against the Town of Elton involving monetary liability at December 31, 2008; however management and counsel believe insurance coverage is sufficient to pay any claims.

(16) Water Contract

Under a contract dated January 1, 2008, the Town of Elton is required to purchase its water from the East Allen Parish Waterworks District until December 31, 2008. During the fiscal year ended December 31, 2008, the Town's water purchases amounted to \$97,189. These purchases included \$9,237 owed at December 31, 2008 for water purchased for the month of December.

TOWN OF ELTON, LOUISIANA

Notes to Basic Financial Statements (Continued)

(17) Interfund Transactions

A. Receivables and Payables

The interfund receivable and payable in the amount of \$9,854 at December 31, 2008 consisted of the amount due to the General Fund from the Coushatta Tribe Community Grant Fund for short-term loans.

B. Transfers

Transfers consisted of the following at December 31, 2008:

	<u>In</u>	<u>Out</u>
Major governmental funds:		
General Fund	\$405,500	\$ -
Coushatta Tribe Community Grant Fund	-	405,500
1991 Sales Tax Fund	-	47,583
Non-major governmental funds:		
1975 Sales Tax Fund	-	24,900
2001 Certificates of Indebtedness Fund	47,583	-
Proprietary Fund:		
Enterprise Fund	24,900	-
Total	<u>\$477,983</u>	<u>\$477,983</u>

Transfers are used to (a) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to (b) use unrestricted revenues collected in the different funds to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**REQUIRED  
SUPPLEMENTARY INFORMATION**

TOWN OF ELTON, LOUISIANA  
General Fund

Budgetary Comparison Schedule  
For the Year Ended December 31, 2008

	2008			Variance with
	Budget		Actual	Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 105,000	\$103,658	\$ 90,102	\$(13,556)
Licenses and permits	35,000	35,500	34,760	(740)
Intergovernmental	34,637	46,500	52,605	6,105
Fines and forfeits	65,000	45,950	43,570	(2,380)
Miscellaneous	20,317	24,673	23,600	(1,073)
Total revenues	<u>259,954</u>	<u>256,281</u>	<u>244,637</u>	<u>(11,644)</u>
Expenditures:				
Current -				
General government	142,651	158,830	163,090	(4,260)
Public safety - police	259,202	366,615	366,716	(101)
Highways and streets	122,960	132,196	126,720	5,476
Parks and recreation	2,600	3,063	2,483	580
Animal control	6,496	5,533	6,131	(598)
Capital outlay	<u>356,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>889,909</u>	<u>666,237</u>	<u>665,140</u>	<u>1,097</u>
Deficiency of revenues over expenditures	<u>(629,955)</u>	<u>(409,956)</u>	<u>(420,503)</u>	<u>(10,547)</u>
Other financing sources:				
Transfers in	<u>600,000</u>	<u>475,500</u>	<u>405,500</u>	<u>(70,000)</u>
Total other financing sources	<u>600,000</u>	<u>475,500</u>	<u>405,500</u>	<u>(70,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(29,955)</u>	<u>65,544</u>	<u>(15,003)</u>	<u>(80,547)</u>
Fund balance, beginning	<u>24,841</u>	<u>24,841</u>	<u>24,841</u>	<u>-</u>
Fund balance, ending	<u>\$ (5,114)</u>	<u>\$ 90,385</u>	<u>\$ 9,838</u>	<u>\$(80,547)</u>

TOWN OF ELTON, LOUISIANA  
Coushatta Tribe Community Grant Fund

Budgetary Comparison Schedule  
For the Year Ended December 31, 2008

	2008			Variance with Final Budget
	Budget		Actual	Positive (Negative)
	Original	Final		
Revenues:				
Community grant revenue	\$ 312,108	\$ 343,936	\$ 487,872	\$ 143,936
Miscellaneous - interest	50,000	16,203	16,363	160
Total revenues	362,108	360,139	504,235	144,096
Expenditures:				
Current -				
General government:				
Professional fees	2,700	3,085	3,272	(187)
Miscellaneous	100	100	72	28
Total general government	2,800	3,185	3,344	(159)
Public safety:				
Appropriation to Fire District - fire protection	18,726	29,273	29,272	1
Highways and streets:				
Repairs and maintenance	-	7,500	2,500	5,000
Education:				
Public schools	43,695	68,302	68,302	-
Capital outlay -				
General government:				
Equipment	-	-	490	(490)
Public safety:				
Equipment - police	-	16,500	16,499	1
Highways and streets:				
Vehicles	-	6,850	6,850	-
Equipment	-	8,320	8,320	-
Parks and recreation:				
Improvements	50,000	-	11,135	(11,135)
Total capital outlay	50,000	31,670	43,294	(11,624)
Total expenditures	115,221	139,930	146,712	(6,782)
Excess of revenues over expenditures	246,887	220,209	357,523	137,314
Other financing uses:				
Transfers to General Fund	(550,000)	(475,500)	(405,500)	70,000
Transfers to Utility Fund	-	-	-	-
Total other financing uses	(550,000)	(475,500)	(405,500)	70,000
Excess of revenues and other sources over expenditures and other uses	(303,113)	(255,291)	(47,977)	207,314
Fund balance, beginning	1,306,893	1,306,893	1,306,893	-
Fund balance, ending	\$1,003,780	\$1,051,602	\$1,258,916	\$ 207,314



TOWN OF ELTON, LOUISIANA  
1991 Sales Tax Fund

Budgetary Comparison Schedule  
For the Year Ended December 31, 2008

	2008			
	Budget			Variance -
	Original	Final	Actual	Favorable (Unfavorable)
Revenues:				
Taxes	\$ 81,000	\$ 75,742	\$ 84,897	\$ 9,155
Miscellaneous - interest	3,000	4,500	7,989	3,489
Total revenues	<u>84,000</u>	<u>80,242</u>	<u>92,886</u>	<u>12,644</u>
Expenditures:				
Current -				
General government:				
Professional fees	1,100	3,264	2,416	848
Collection fees	2,000	1,600	1,770	(170)
Miscellaneous	-	15	42	(27)
Total general government	<u>3,100</u>	<u>4,879</u>	<u>4,228</u>	<u>651</u>
Excess of revenues over expenditures	80,900	75,363	88,658	13,295
Other financing uses:				
Transfers to 2001 Certificates of Indebtedness	<u>(49,000)</u>	<u>(48,603)</u>	<u>(47,583)</u>	<u>1,020</u>
Excess of revenues over expenditures and other uses	31,900	26,760	41,075	14,315
Fund balance, beginning	<u>195,233</u>	<u>195,233</u>	<u>195,233</u>	<u>-</u>
Fund balance, ending	<u>\$ 227,133</u>	<u>\$221,993</u>	<u>\$236,308</u>	<u>\$14,315</u>

## **OTHER SUPPLEMENTARY INFORMATION**

## **OTHER FINANCIAL INFORMATION**

TOWN OF ELTON, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Revenues  
For the Year Ended December 31, 2008  
With Comparative Actual Amounts for the Year Ended December 31, 2007

	2008				
	Budget			Variance with Final Budget	
	Original	Final	Actual	Positive (Negative)	2007 Actual
Taxes:					
Ad valorem	\$ 20,000	\$ 19,900	\$ 20,303	\$ 403	\$ 19,867
Franchise tax	85,000	83,758	69,799	(13,959)	70,281
Total taxes	<u>105,000</u>	<u>103,658</u>	<u>90,102</u>	<u>(13,556)</u>	<u>90,148</u>
Licenses and permits:					
Occupational licenses	<u>35,000</u>	<u>35,500</u>	<u>34,760</u>	<u>(740)</u>	<u>33,496</u>
Intergovernmental:					
State of Louisiana -					
State revenue sharing	4,200	4,500	5,595	1,095	5,377
Beer taxes	2,387	2,000	2,045	45	2,025
Tobacco taxes	1,850	-	-	-	1,824
Video poker	10,000	15,500	16,319	819	14,483
Supplemental pay	16,200	24,000	28,646	4,646	20,553
Grants	-	500	-	(500)	8,000
Total intergovernmental	<u>34,637</u>	<u>46,500</u>	<u>52,605</u>	<u>6,105</u>	<u>52,262</u>
Fines and court costs	<u>65,000</u>	<u>45,950</u>	<u>43,570</u>	<u>(2,380)</u>	<u>63,912</u>
Miscellaneous:					
Interest income	300	433	361	(72)	248
Rent	600	1,740	-	(1,740)	-
Fire protection fees	6,417	6,000	6,377	377	6,144
Other sources	<u>13,000</u>	<u>16,500</u>	<u>16,862</u>	<u>362</u>	<u>11,992</u>
Total miscellaneous	<u>20,317</u>	<u>24,673</u>	<u>23,600</u>	<u>(1,073)</u>	<u>18,384</u>
Total revenues	<u>\$259,954</u>	<u>\$256,281</u>	<u>\$244,637</u>	<u>\$ (11,644)</u>	<u>\$258,202</u>

TOWN OF ELTON, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures  
For the Year Ended December 31, 2008  
With Comparative Actual Amounts for the Year Ended December 31, 2007

	2008			Variance with	
	Budget			Final Budget	2007
	Original	Final	Actual	Positive (Negative)	Actual
Current:					
General government -					
Coroner fees	\$ 1,000	\$ 3,840	\$ 2,150	\$ 1,690	\$ 2,540
Dues and subscriptions	400	539	449	90	479
Fire assessments	6,417	6,500	6,362	138	6,144
Insurance	34,000	32,066	34,554	(2,488)	32,006
Janitorial supplies	2,200	3,214	3,274	(60)	1,960
Legal and professional	15,000	11,351	10,783	568	13,480
Mayor's expense	-	-	-	-	110
Miscellaneous	1,500	10,947	11,848	(901)	4,346
Office expenditures	5,300	5,624	9,218	(3,594)	10,003
Payroll taxes	4,284	4,200	4,766	(566)	4,202
Publishing and recording	650	997	931	66	617
Salaries	56,000	62,433	62,297	136	54,927
Telephone	4,800	4,596	4,452	144	4,707
Repairs and maintenance	100	875	820	55	67
Utilities	11,000	11,648	11,186	462	10,439
Uniforms	-	-	-	-	875
Total general government	142,651	158,830	163,090	(4,260)	146,902
Public safety - police -					
Auto expenditures	25,000	33,108	32,791	317	24,800
Insurance	15,000	17,386	17,206	180	12,733
Salaries	168,000	247,651	250,347	(2,696)	191,126
Miscellaneous	350	1,000	1,840	(840)	974
Payroll taxes	12,852	19,178	19,135	43	13,733
Prisoners' expenditures	2,600	4,364	4,312	52	2,860
Supplies	4,500	4,220	3,637	583	2,726
Repairs and maintenance	16,500	27,824	27,268	556	17,450
State court costs	1,700	2,208	1,840	368	1,445
Training academy	4,500	2,427	2,023	404	2,708
Telephone and utilities	3,200	3,231	2,935	296	3,235
Uniforms	5,000	4,018	3,382	636	3,901
Total public safety	259,202	366,615	366,716	(101)	277,691

(continued)

TOWN OF ELTON, LOUISIANA  
General Fund

Budgetary Comparison Schedule - Expenditures (Continued)  
For the Year Ended December 31, 2008  
With Comparative Actual Amounts for the Year Ended December 31, 2007

	2008			Variance with	
	Budget			Final Budget	2007
	Original	Final	Actual	Positive (Negative)	Actual
Highways and streets -					
Auto expenditures	7,500	5,545	5,169	376	7,136
Insurance	4,100	14,831	14,354	477	3,752
Miscellaneous	-	787	-	787	-
Payroll taxes	4,360	3,560	3,330	230	4,154
Repairs and maintenance	25,000	38,114	37,999	115	37,239
Salaries	57,000	46,531	43,532	2,999	54,305
Supplies	1,000	2,005	1,671	334	1,073
Utilities	24,000	20,823	20,665	158	21,465
Total highways and streets	122,960	132,196	126,720	5,476	129,124
Parks and recreation -					
Repairs and maintenance	1,000	779	1,744	(965)	1,402
Miscellaneous	-	493	-	493	-
Utilities	1,600	1,791	739	1,052	873
Total parks and recreation	2,600	3,063	2,483	580	2,275
Animal control -					
Insurance	340	275	269	6	276
Payroll taxes	306	303	303	-	303
Salaries	4,000	3,960	3,960	-	3,960
Supplies	1,700	995	1,188	(193)	1,588
Miscellaneous	150	-	411	(411)	138
Total animal control	6,496	5,533	6,131	(598)	6,265
Capital outlay:					
General and administrative -					
Improvements	-	-	-	-	-
Equipment	-	-	-	-	2,150
Public safety - police -					
Equipment	50,000	-	-	-	-
Highways and streets -					
Equipment	6,000	-	-	-	-
Culture & recreation -					
Community center	300,000	-	-	-	-
Total capital outlay	356,000	-	-	-	2,150
Total expenditures	\$889,909	\$666,237	\$665,140	\$ 1,097	\$564,407

**NONMAJOR GOVERNMENTAL FUNDS**

TOWN OF ELTON, LOUISIANA  
Nonmajor Governmental Funds

Combining Balance Sheet  
December 31, 2008  
With Comparative Totals for December 31, 2007

	Special Revenue	Debt Service	Totals 2008	2007
<b>ASSETS</b>				
Cash	\$162,407	\$ -	\$162,407	\$106,389
Receivables:				
Taxes	6,081	-	6,081	5,488
Prepaid expenses	<u>-</u>	<u>23,536</u>	<u>23,536</u>	<u>24,556</u>
<b>TOTAL ASSETS</b>	<u><b>\$168,488</b></u>	<u><b>\$23,536</b></u>	<u><b>\$192,024</b></u>	<u><b>\$136,433</b></u>
<b>FUND BALANCES</b>				
Fund balances:				
Reserved for debt service	\$ -	\$23,536	\$ 23,536	\$ 24,556
Unreserved, undesignated	<u>168,488</u>	<u>-</u>	<u>168,488</u>	<u>111,877</u>
<b>Total fund balances</b>	<u><b>\$168,488</b></u>	<u><b>\$23,536</b></u>	<u><b>\$192,024</b></u>	<u><b>\$136,433</b></u>



TOWN OF ELTON, LOUISIANA  
Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended December 31, 2008  
With Comparative Totals for the Year Ended December 31, 2007

	Special Revenue	Debt Service	Totals 2008	2007
Revenues:				
Taxes -				
Sales	\$ 84,897	\$ -	\$ 84,897	\$ 81,519
Expenditures:				
Current -				
General government:				
Professional fees	1,616	-	1,616	850
Collection fees	1,770	-	1,770	1,714
Total general government	3,386	-	3,386	2,564
Debt service -				
Principal retirement	-	40,000	40,000	40,000
Interest and fiscal charges	-	8,603	8,603	10,613
Total debt service	-	48,603	48,603	50,613
Total expenditures	3,386	48,603	51,989	53,177
Excess (deficiency) of revenues over expenditures	81,511	(48,603)	32,908	28,342
Other financing sources (uses):				
Transfers in	-	47,583	47,583	49,613
Transfers out	(24,900)	-	(24,900)	(54,300)
Total financing sources (uses)	(24,900)	47,583	22,683	(4,687)
Excess (deficiency) of revenues and other sources over expenditures and other uses	56,611	(1,020)	55,591	23,655
Fund balances, beginning	111,877	24,556	136,433	112,778
Fund balances, ending	\$168,488	\$23,536	\$192,024	\$136,433

## **NONMAJOR SPECIAL REVENUE FUND**

### **1975 Sales Tax Fund**

To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to the opening, constructing, paving, resurfacing and improving streets, sidewalks and bridges, constructing and purchasing street lighting facilities; constructing and improving drains, drainage canals and sub-surface drainage; constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; constructing and purchasing garbage disposal and health and sanitation equipment and facilities; constructing public buildings; purchasing, constructing and improving public parks and recreational facilities and acquiring the necessary equipment and furnishing thereof; purchasing equipment for civil defense; improving any work of permanent public improvement; and purchasing and acquiring all equipment and furnishings for the public works, buildings, improvements and facilities of the Town of Elton, Louisiana.

TOWN OF ELTON, LOUISIANA  
Nonmajor Special Revenue Fund  
1975 Sales Tax Fund

Comparative Balance Sheet  
December 31, 2008

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
Cash	\$162,407	\$ 106,389
Taxes receivable	<u>6,081</u>	<u>5,488</u>
Total assets	<u>\$168,488</u>	<u>\$ 111,877</u>
<b>FUND BALANCES</b>		
Fund balances:		
Unreserved, undesignated	<u>168,488</u>	<u>111,877</u>
Total fund balances	<u>\$168,488</u>	<u>\$ 111,877</u>

TOWN OF ELTON, LOUISIANA  
Nonmajor Special Revenue Fund  
1975 Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance-  
Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 2008  
With Comparative Actual Amounts for the Year Ended December 31, 2007

	2008		Variance -	2007
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:				
Taxes	<u>\$ 75,742</u>	<u>\$ 84,897</u>	<u>\$ 9,155</u>	<u>\$ 81,519</u>
Expenditures:				
Current -				
General government:				
Professional fees	1,512	1,616	(104)	850
Miscellaneous	100	-	100	-
Collection fees	<u>1,600</u>	<u>1,770</u>	<u>(170)</u>	<u>1,714</u>
Total general government	<u>3,212</u>	<u>3,386</u>	<u>(174)</u>	<u>2,564</u>
Excess of revenues over expenditures	<u>72,530</u>	<u>81,511</u>	<u>8,981</u>	<u>78,955</u>
Other financing uses:				
Transfers to General Fund	-	-	-	(42,000)
Transfers to Utility Fund	<u>(16,900)</u>	<u>(24,900)</u>	<u>(8,000)</u>	<u>(12,300)</u>
Total other financing uses	<u>(16,900)</u>	<u>(24,900)</u>	<u>(8,000)</u>	<u>(54,300)</u>
Excess of revenues over expenditures and other uses	<u>55,630</u>	<u>56,611</u>	<u>981</u>	<u>24,655</u>
Fund balance, beginning	<u>111,877</u>	<u>111,877</u>	<u>-</u>	<u>87,222</u>
Fund balance, ending	<u>\$167,507</u>	<u>\$168,488</u>	<u>\$ 981</u>	<u>\$ 111,877</u>

## **NONMAJOR DEBT SERVICE FUND**

### **Certificates of Indebtedness, Series 2001**

To accumulate monies for payment of the 2001 \$380,000 Certificates of Indebtedness. Debt service is financed by the levy of a 1% sales and use tax.

TOWN OF ELTON, LOUISIANA  
Nonmajor Debt Service Fund  
2001 Certificates of Indebtedness Fund

Comparative Balance Sheet  
December 31, 2008

	<u>2008</u>	<u>2007</u>
ASSETS		
Prepaid expenses	<u>\$ 23,536</u>	<u>\$ 24,556</u>
FUND BALANCES		
Fund balances:		
Reserved for debt service	<u>\$ 23,536</u>	<u>\$ 24,556</u>

TOWN OF ELTON, LOUISIANA  
Nonmajor Debt Service Fund  
2001 Certificates of Indebtedness Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance-  
Budget (GAAP Basis) and Actual  
For the Year Ended December 31, 2008  
With Comparative Actual Amounts for the Year Ended December 31, 2007

	2008		Variance -	2007
	Budget	Actual	Favorable (Unfavorable)	Actual
Revenues:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Expenditures:				
Debt service -				
Principal retirement	40,000	40,000	-	40,000
Interest	<u>8,603</u>	<u>8,603</u>	<u>-</u>	<u>10,613</u>
Total debt service	<u>48,603</u>	<u>48,603</u>	<u>-</u>	<u>50,613</u>
Deficiency of revenues over expenditures	(48,603)	(48,603)	-	(50,613)
Other financing sources:				
Transfers from 1991 Sales Tax Fund	<u>48,603</u>	<u>47,583</u>	<u>(1,020)</u>	<u>49,613</u>
Excess (deficiency) of revenues and other financing sources over expenditures	-	(1,020)	(1,020)	(1,000)
Fund balance, beginning	<u>24,556</u>	<u>24,556</u>	<u>-</u>	<u>25,556</u>
Fund balance, ending	<u>\$24,556</u>	<u>\$23,536</u>	<u>\$(1,020)</u>	<u>\$24,556</u>

TOWN OF ELTON, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Number of Utility Customers  
(Unaudited)  
December 31, 2008

Records maintained by the Town indicated the following number of customers were being served during the months of December, 2008 and 2007:

<u>Department</u>	<u>2008</u>	<u>2007</u>
Water (metered)	524	537
Sewer	496	508
Garbage	488	502



TOWN OF ELTON, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Statement of Operating Expenses by Department  
Years Ended December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Water department:		
Bad debts	\$ 7,744	\$ 1,208
Depreciation	25,005	25,143
Insurance	628	273
Legal and professional fees	4,500	3,407
Licenses and permits	839	839
Miscellaneous	304	443
Office expense and supplies	3,360	3,315
Payroll taxes	2,411	1,905
Repairs and maintenance	6,663	4,723
Salaries	29,983	25,419
Supplies	1,444	4,616
Truck expense	2,116	1,549
Utilities	1,107	936
Water analysis	-	-
Water purchases	<u>97,189</u>	<u>72,641</u>
Total water department	<u>183,293</u>	<u>146,417</u>
Sewer department:		
Bad debts	2,804	456
Depreciation	33,410	34,543
Insurance	4,189	4,053
Legal and professional fees	3,041	3,025
Licenses and permits	-	-
Miscellaneous	526	319
Office expense and supplies	410	250
Payroll taxes	1,300	3,013
Repairs and maintenance	16,280	11,030
Salaries	18,652	15,629
Supplies	4,493	6,750
Sewer analysis	2,508	2,508
Truck expense	1,759	1,389
Utilities	<u>5,799</u>	<u>6,432</u>
Total sewer department	<u>95,171</u>	<u>89,397</u>
Sanitation department:		
Bad debts	4,588	459
Office expense and supplies	94	111
Collection fees	<u>84,662</u>	<u>78,613</u>
Total sanitation department	<u>89,344</u>	<u>79,183</u>
Total operating expenses	<u>\$ 367,808</u>	<u>\$ 314,997</u>

TOWN OF ELTON, LOUISIANA

Combined Schedule of Interest-Bearing Deposits - All Funds  
December 31, 2008

	Account Number	Financial Institution	Maturity Date	Interest Rate	Amount
Major governmental funds:					
1991 Sales Tax Fund -					
Certificate of Deposit	1007070	(C)	08/12/09	4.30%	\$ 194,069
Coushatta Tribe Community Grant Fund -					
Money market account	882276457	(C)	N/A	variable	1,027,232
Money market account	3862577	(A)	N/A	variable	46,399
					<u>1,073,631</u>
Utility Fund:					
Unrestricted assets -					
Certificate of Deposit	1059118	(C)	11/30/09	3.80%	64,542
Certificate of Deposit	3871436	(A)	11/30/09	1.84%	23,959
Certificate of Deposit	4509293	(A)	11/30/09	0.35%	10,056
Certificate of Deposit	3858286	(A)	12/24/09	1.86%	21,168
Certificate of Deposit	3864596	(A)	10/11/09	1.84%	19,317
Certificate of Deposit	3869555	(A)	12/07/09	1.84%	12,085
Certificate of Deposit	3869563	(A)	12/07/09	1.84%	53,980
Certificate of Deposit	3870472	(A)	11/23/09	1.99%	2,920
Certificate of Deposit	3865673	(A)	12/28/09	1.84%	3,256
Certificate of Deposit	3865681	(A)	12/28/09	1.84%	3,553
Certificate of Deposit	3867870	(A)	09/06/09	1.84%	3,002
Certificate of Deposit	3869237	(A)	09/29/09	1.84%	2,923
Certificate of Deposit	3862348	(A)	09/29/09	1.64%	3,333
Certificate of Deposit	3859223	(A)	10/03/09	1.84%	3,688
Certificate of Deposit	3863425	(A)	10/06/09	1.84%	3,344
Certificate of Deposit	3869520	(A)	10/17/09	1.84%	2,920
Certificate of Deposit	3870596	(A)	11/30/09	1.84%	2,910
Certificate of Deposit	3885194	(A)	12/02/09	1.84%	2,705
Certificate of Deposit	3859584	(A)	12/04/09	1.84%	3,582
Certificate of Deposit	3871282	(A)	11/29/09	1.84%	2,874
Certificate of Deposit	3871444	(A)	11/30/09	1.84%	5,687
Certificate of Deposit	3885216	(A)	12/29/09	1.86%	5,565
Certificate of Deposit	3886921	(A)	12/29/09	1.84%	5,367
Certificate of Deposit	3886891	(A)	12/29/09	1.84%	2,682
Certificate of Deposit	69138	(A)	12/30/09	1.84%	3,125
Certificate of Deposit	3869571	(A)	12/07/09	1.84%	21,998
Certificate of Deposit	69344	(A)	12/10/09	1.84%	3,000
Certificate of Deposit	69351	(A)	01/23/09	1.84%	5,000
Total unrestricted assets					<u>298,541</u>
Restricted assets -					
Certificate of Deposit	3869571	(A)	12/07/08	1.84%	8,489
Total Utility Fund					<u>307,030</u>
Total - all funds					<u>\$1,574,730</u>

Investments with:

(A) St Martin Bank, St Martinville, Louisiana

(C) Capital One Bank, New Orleans, Louisiana

TOWN OF ELTON, LOUISIANA

Schedule of Insurance in Force  
(Unaudited)  
December 31, 2008

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation:	Statutory
Employer's liability - accident	\$ 100,000
Sewer equipment coverage	307,766
Surety Bonds:	
Mayor/Council	110,000
Town clerk	30,000
Assistant town clerk	10,000
Fire and wind coverage on Town of Elton buildings:	
Senior citizens building	120,000
City hall and police station	345,000
Contents of city hall and police station	50,000
Maintenance building	175,000
Law enforcement and officer liability:	
All coverage (other than products - completed operations and errors and omissions injury) aggregate	500,000
Error or omission, aggregate	500,000
Automobile coverage:	
General liability, aggregate	500,000
Bodily injury and property damage	1,000
Uninsured motorist	500,000
Commercial:	
General liability, aggregate	500,000

**INTERNAL CONTROL, COMPLIANCE**

**AND**

**OTHER MATTERS**

C. Burton Kolder, CPA\*  
 Russell F. Champagne, CPA\*  
 Victor R. Slaven, CPA\*  
 P. Troy Courville, CPA\*  
 Gerald A. Thibodeaux, Jr., CPA\*  
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Retired:  
 Conrad O. Chapman, CPA\* 2006  
 Harry J. Closto, CPA 2007

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# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Catherine Hollingsworth, Mayor  
 and members of the Board of Aldermen  
 Town of Elton, Louisiana

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Elton, Louisiana, as of and for the year ended December 31, 2008, which collectively comprise the Town's basic financial statements and have issued our report thereon dated May 13, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Elton, Louisiana's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Elton, Louisiana's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town's financial statements that is more than inconsequential will not be prevented or detected by the Town's internal control. We consider the deficiencies described in the accompanying summary schedule of current and prior year audit findings and management's corrective action plan as items 08-1(IC) and 08-2 (IC) to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we consider none of the items described above is a material weakness.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Elton's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

We also noted a certain matter involving internal control over financial reporting that we reported to the management of the Town of Elton, Louisiana in a separate letter dated May 13, 2009.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Oberlin, Louisiana  
May 13, 2009

# TOWN OF ELTON, LOUISIANA

## Summary Schedule of Current and Prior Year Audit Findings and Corrective Action Plan December 31, 2008

Ref. No.	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Date of Completion
<u>CURRENT YEAR (12/31/08) --</u>						
<u>Internal Control</u>						
08-1 (IC)	Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.		The Town performs the following procedures: 1) Separating cash receipts and deposit functions from recording functions. 2) Reviewing current personnel and implementing thorough background checks on the hiring of all personnel. 3) The Town's elected officials are actively involved in monitoring daily operations of the accounting staff.	Verian Ortego, Assistant Town Clerk	N/A
08-2(IC)	2007	The Town does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.		The Town has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Verian Ortego, Assistant Town Clerk	N/A
<u>Management Letter:</u>						
08-3 (ML)	2007	The Utility Fund water, sewerage, and sanitation departments experienced operating losses. The Town should consider increasing these utility rates and/or decreasing expenses in order for the departments to operate on a profitable basis.		Town officials are in the process of evaluating operations in the utility departments to determine the amount of rate increases and expense reductions necessary to operate the departments on a profitable basis.	Verian Ortego, Assistant Town Clerk	Immediately

(continued)

TOWN OF ELTON, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan (continued)  
December 31, 2008

Fiscal Year	Ref. No.	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Date of Completion
PRIOR YEAR (12/31/07) --						
<u>Internal Control</u>						
	07-1 (IC)	Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system	N/A	The Town performs the following procedures: 1) Separating cash receipts and deposit functions from recording functions. 2) Reviewing current personnel and implementing thorough background checks on the hiring of all personnel. 3) The Town's elected officials are actively involved in monitoring daily operations of the accounting staff.	Verian Ortego, Assistant Town Clerk  N/A
	07-2(IC)	2007	The Town does not have a staff person who has the qualifications and training to apply generally accepted accounting principles (GAAP) in recording the entity's financial transactions or preparing its financial statements, including the related notes.	No	The Town has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their contents and presentation.	Verian Ortego, Assistant Town Clerk  N/A
<u>Management Letter</u>						
	07-3 (ML)	2007	The Utility Fund water, sewerage, and sanitation departments experienced operating losses. The Town should consider increasing these utility rates and/or decreasing expenses in order for the departments to operate on a profitable basis.	No	Town officials are in the process of evaluating operations in the utility departments to determine the amount of rate increases and expense reductions necessary to operate the departments on a profitable basis.	Verian Ortego, Assistant Town Clerk  Immediately
	07-4 (ML)	2007	The Town has not maintained a monthly customer meter deposit listing which should be properly filed and agreed to the general ledger.	Yes	The Town has compiled a complete customer listing that is maintained on its utility software.	Verian Ortego, Assistant Town Clerk  12/31/2008



# KOLDER, CHAMPAGNE, SLAVEN & COMPANY, LLC

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## MANAGEMENT LETTER

The Honorable Catherine Hollingsworth, Mayor  
and Members of the Board of Aldermen  
Town of Elton, Louisiana

During our audit of the basic financial statements of the Town of Elton for the year ended December 31, 2008, we noted the following areas in which the efficiency and effectiveness of the operations of the Town could be improved.

1. The Utility Fund water, sewerage, and sanitation departments experienced operating losses. The Town should consider increasing these utility rates and/or decreasing expenses in order for the departments to operate on a profitable basis.

We would like to express our appreciation to you and your staff, particularly your office staff, for the courtesies and assistance rendered to us in the performance of our audit. Should you have any questions or need assistance please feel free to contact us.

***Kolder, Champagne, Slaven & Company, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
May 13, 2009